

OUTGOING AIRGRAM

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DEPARTMENT OF STATE DIVISION OF COMMUNICATIONS AND RECORDS TELEGRAPH BRANCH

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A-2340 June 9, 1951

UDEC/UK (Fulbright)

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Reference Embassy's despatch No. 4786 dated April 6, 1951 concerning United States Income Tax liability of British Fulbright Travel Grantees.

An informal conference was held with the Bureau of Internal Revenue concerning the questions raised in paragraph one, Embassy's 4786. The Bureau's summary of exemptions applicable to British nonresidents in United States, pursuant to the provisions of the Double Taxation Convention between the United States of America and the United Kingdom (Treaties and other International Acts Series 1516) was limited to following:

1. Exempt if they are Government employees of the United Kingdom (refer Article X of Convention).
2. Exempt if they do not remain in the United States for more than 183 days during the year and their employer is a United Kingdom entity (refer Article XI of Convention).
3. Exempt if they are present in the United States as teachers or professors (refer Article XVIII of Convention).
4. Exempt if they are present in the United States as students or apprentices (refer Article XII of Convention).

The foregoing constitutes a negative answer insofar as the Embassy's submission is concerned, however, no further information bearing on exemptions for the cited group of persons could be obtained from the Bureau.

Replies

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State Dept. declassification & release instructions on file

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Replying to paragraph two, Embassy's 4786, it is pointed out that the reference to immigration visas in relation to Fulbright travel grantees appears to be in error. By way of explanation, persons entering the United States on 3(2) Exchange-Visitor visas (and all incoming grantees, either United States Government or privately sponsored, presumably must enter the United States on such visas) are perforce considered as nonresident aliens inasmuch as applicants for such visas must establish that they are bona fide nonimmigrants, resident outside the United States, and that they are entering the United States for specific nonimmigrant purposes.

Accordingly, British Fulbright Travel Grantees ordinarily would not be eligible to receive, or be affected in any way by, immigration visas.

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